

The Opportunity for Suppliers

Unprecedented Challenges in Mining Require Innovative Solutions

Mining companies face unprecedented challenges that require new approaches, technologies, systems and partners. Business as usual is no longer an option. Suppliers that collaborate and innovate with mining companies in new ways can help set the industry on a prosperous and sustainable path.

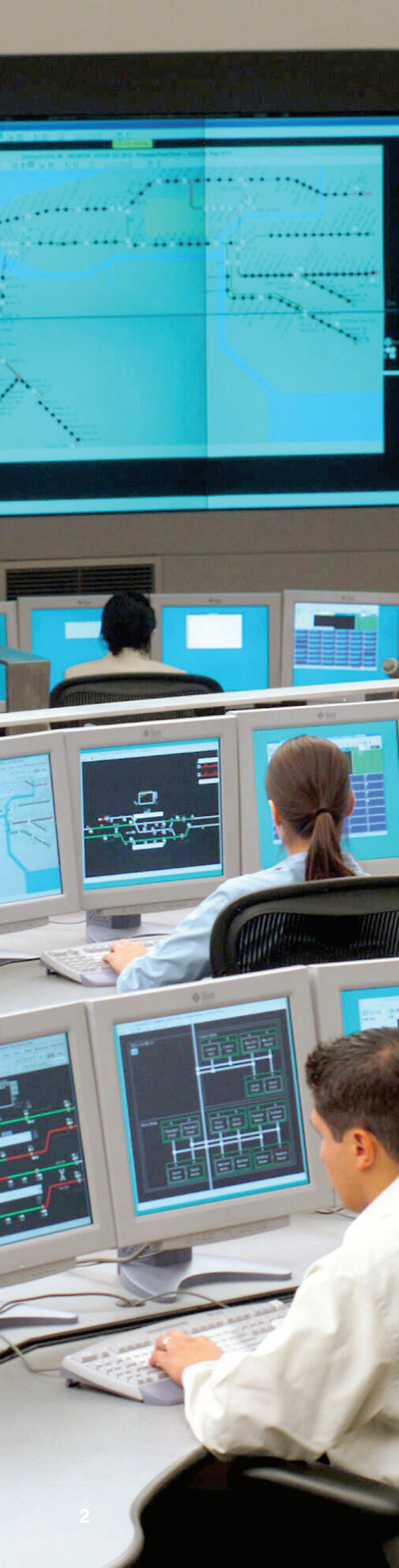
The Mining Industry Today

A variety of forces have driven up the cost, time and complexity of building and operating mines, fewer significant new discoveries that are more expensive to find and lack local infrastructure to develop; declining ore grades and productivity; shortages of talent; government unpredictability and intervention (sometimes to the point of outright nationalization) and increasing community activism concerning social and environmental impacts.

Despite continued long-term increases in demand, short-term fluctuations in market prices—on top of unsustainable yet persistent increases in CapEx and OpEx costs and declining productivity—are scaring away investors and causing project deferrals and cancellations.

The traditional responses to such difficulties will no longer work. Higher capacity equipment won't sufficiently increase productivity. Making acquisitions and cost cutting to meet short-term profit goals—including pressuring suppliers and abandoning research and innovation initiatives—simply pushes the fundamental problems down the road. Building bigger walls to keep out the community only adds to genuine grievances. High-grading current mines and shelving projects until prices bounce back will only create the marginally profitable mines of the future.

There has been progress and some success but too often this is at a company/project level. By and large mining companies are reverting to short-term approaches and for the most part applying the methods of the past without addressing the root causes of the current challenges.



A New Approach to Mining

There are significant opportunities for new and existing mining suppliers to deliver solutions that help mining companies move from being thought of as an “extractive industry” to sustainable “resource development partners” that are substantively collaborating with key stakeholders to create long-term value, rather than short-term cost and production focus. The miners of the future will no longer be focused on “inside the fence” operational islands of semi-automated equipment but rather will be managers who are meaningfully engaged with local knowledge and employ a rich variety of fully-optimized, automated and networked capabilities.

Consider how the Oil and Gas industry’s investment in technology and capabilities enabled the Digital Oil Field of the Future concept that along with other innovations, is generating enormous value addressing many of the same challenges.

Hence the opportunity exists to:

- Move from Cost Reduction to Value Creation (become a Resource Development Partner)
 - Provide solutions that don’t just reduce costs but improve long-term economic, social and environmental sustainability of the mine and surrounding region and dramatically improve productivity
- Leverage Big Data, Analytics and Integration
 - Discover powerful insights from integrating and analyzing a tremendous amount of data produced by myriad geological systems, equipment and SCADA systems across the mine
- Focus on Key Components of the Value Chain
 - Allow service providers to take over specialized mining functions on behalf of mining companies
- Develop Next Generation Mining Methods
 - Move directly from mechanical to a network approach and positively impact costs and productivity, instead of plodding through a cycle of processes: labor intensive to mechanical, then to automated and finally to a network approach

Clareo Can Help Develop Your Growth & Innovation Strategy

It is time to act decisively and boldly. Whether you are an existing supplier looking to expand your success in the mining sector or a new entrant, Clareo's combination of domain knowledge, full ecosystem engagement and growth and innovation strategy expertise can provide you with a range of services to successfully build and grow your business:

- Design strategies and roadmaps to pinpoint where you are best positioned to play in the evolution of the mining industry and its value chain
- Create new pathways to customers and partners to grow revenue and profitability
- Move from increasingly commoditized products to comprehensive solutions with services and data analytics
- Design approaches to innovation that will help you co-create and execute on a regular stream of differentiated offerings

About Clareo

At **Clareo**, our mission is simple: we help businesses grow.

We help leaders create new ways to grow—core, adjacent and new business—and build the plans and capabilities needed to get there. We also have deep expertise in creating strategy and operating models for the design and launch of corporate venture groups.

We do all this with our clients, not just for them so that the outcome is buy-in and an actionable road map, not just a book or set of slides that sit on the shelf. When needed, we'll even come alongside to help our clients achieve their plans.

Our clients look for Clareo when they're looking for bold new ideas, outside-in thinking fueled by a network of leading global experts, and plans that lead to action and results.

To find out more about Clareo, visit: www.clareopartners.com

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